GOVERNMENT OF INDIA
SOCIAL JUSTICE AND EMPOWERMENT
LOK SABHA

UNSTARRED QUESTION NO:2340
ANSWERED ON:17.03.2005
RATIONALIZATION OF INTEREST RATES CHARGED BY SCA
Singh Shri Prabhunath

Will the Minister of SOCIAL JUSTICE AND EMPOWERMENT be pleased to state:

(a) whether the main objective of National Backward Classes Finance and Development Corporation (NBCFDC) is to provide concessional finance to OBCs for setting up self-employment ventures and starting income generating schemes,

(b) if so, the number of OBCs to whom concessional finance was provided during each of the last three years and the current year, State-wise;

(c) whether State Channelising Agencies (SCAs) are charging high rate of interest from OBCs despite their poor financial conditions; and

(d) if so, the measures taken/proposed to be taken to rationalize the rate of interest charged by SCAs?

Answer

MINISTER OF STATE IN THE MINISTRY OF SOCIAL JUSTICE & EMPOWERMENT (SMT. SUBBULAKSHMI JAGADEESAN)

(a) Yes, Sir.

(b) A statement is annexed (Annexure).

(c)& (d) The State Channelising Agencies (SCAs) are charging 3% as service charges from the beneficiaries which is utilized by the SCAs for identification of eligible beneficiaries and their verification, disbursement of loan, recovery of loan and monitoring of the implementation of the Schemes at the grass-root level. The service charges can be reduced if the State Govemments/UTs extend adequate administrative subsidy to their respective SCAs to implement the NBCFDC`s schemes. Further, the rate of interest indicated by NBCFDC as service charges for SCAs is the maximum rate of interest that can be charged from the beneficiary and the SCAs are free to charge lower than the prescribed rate.